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ABSTRACT

A program linking merit pay and faculty evaluation was initiated at Sumter Area Technical College (SATC) in Sumter, South Carolina, in 1978. The performance-based evaluation system focuses on three elements: the job description, which identifies professional responsibilities and how they relate to the college's mission; the individual action plan; and the institutional plan of action. Supporting the evaluation process is a system of recognition and reward, which involves the following components: (1) outstanding service awards are presented annually to a faculty member and a staff member; (2) the president sends personal cards and notes to employees on special occasions, such as birthdays, including an acknowledgement of achievements and contributions to the college; (3) the achievements of committees and task forces are recognized with luncheons; (4) those who contribute most to SATC are given priority for travel to conferences and workshops; and (5) faculty and staff members are asked to give staff development presentations on their areas of expertise. Of the five types of merit increases which are utilized by two-year colleges, SATC uses a combined merit and cost of living approach, while other South Carolina technical colleges use a total merit system. SATC's experiences suggest that the following components are essential in implementing a merit pay system: planning, judgments about personnel performance, explicit criteria defining good teaching, open communication, an adequate budget, and a mechanism for continuous monitoring and refinement. Though the approach requires more time and increases the difficulty of administering across-the-board increases, it also increases employee and supervisor accountability, encourages employees to coordinate their activities with the college's mission, and recognizes and rewards individuals. (LAL)

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MERIT PAY AND FACULTY EVALUATION

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MERIT PAY AND FACULTY EVALUATION

(Excerpts from a debate at the Association of Community College Trustees 16th Annual Convention, Denver, Colorado, October 4 and 5, 1985. Following is the position presented by Dr. James L. Hudgins, President of Sumter Area Technical College in Sumter, South Carolina.)

INTRODUCTION:

Most two-year colleges utilize some form of faculty evaluation. If the college is part of a state system, faculty evaluation may be required by state statute. Many colleges recognize the need for evaluation techniques to support decisions on retention, promotion, and tenure (if applicable) of faculty. As a minimum, most colleges utilize evaluation instruments to assist faculty with professional development and self-improvement. However, few colleges tie evaluation to merit pay.

An article in the November 28, 1984 edition of the Chronicle of Higher Education observed that only a few dozen two-year institutions in the United States utilize merit pay as a adjunct to the evaluation system. The article states that many institutions are studying the issue of merit pay for numerous reasons. One reason cited by the article is national attention, including statements by the President in favor of merit pay. The thrust of the article, focuses on the demands of taxpaying constituents for accountability from colleges for funds invested. The average taxpayer correlates merit pay with accountability. This pressure is particularly intense among two-year institutions which are supported in part by local taxes.

CASE STUDY

In this session I will share with you a case study of the application of merit pay and faculty evaluation at Sumter Area Technical College located in Sumter, South Carolina, where I serve as president. Although the program has worked effectively at SATC, it may not be appropriate for other institutions. Some background information may help workshop participants to identify with the college. SATC, located in the geographic center of South Carolina, is one of 16 two-year postsecondary technical colleges. We serve a four-county service region of about 200,000 persons. We have a broad postsecondary mission, but emphasize vocational/technical programs. Seven of our colleges offer the Associate in Arts programs. Our college is contiguous to the University of South Carolina in Sumter and does not offer the Associate Degree in Arts program. Therefore, out of fifty-five faculty, only twelve instruct general education courses. The majority of the faculty have been recruited from the business/technical sector. The business orientation of our faculty may explain, in part, their positive response to merit pay as a part of the evaluation/merit pay system. We serve 1,611 students and employ 55 full-time faculty.

Let us begin our case study of evaluation and merit pay. Some of the assumptions encountered as we began to discuss merit pay were: (1) Good teaching cannot be evaluated. (2) A good evaluation system cannot be developed. (3) Division managers do not know how to evaluate good instruction. (4) Favorites will tend to get ahead. There is truth in all those statements; otherwise, they would not have become arguments against merit pay. Our experience suggests,

however, that none of these arguments against merit pay are so dominant as to negate a merit system. Therefore, we operated from a different assumption: individual performance does, and should, make a difference in evaluation, promotion and salary increases. Of course, salary is not the only motivator of employees. Since it is a major reason for employment, it should be an important factor in evaluation.

My comments today are divided into two parts. First, I will describe SATC's faculty evaluation system. Then, I will describe the merit pay plan that supports the system.

We began our evaluation program in 1978. The college had granted across-the-board increases for faculty for many years. Our faculty are state employees, and our legislature normally determines an "across-the-board" pay increase granted as a percent of salary. At the time of our study the college was utilizing a personality inventory type of evaluation form coupled with a self-evaluation instrument. The evaluation did not relate the performance of faculty to college goals or mission. The absence of a performance-based evaluation system had a negative impact on the more creative, dynamic faculty who were really committed to making things happen at the college. These faculty received the same salary as those who had little interest in the welfare of the college.

Three action steps were introduced:

(1) A seven person committee was appointed of which five were faculty members.
(2) The committee reviewed evaluation systems from other states.
(3) The committee attended faculty evaluation workshops.

The committee operated on the following written assumptions:

(1) Faculty evaluation and development ought to go together.
(2) Evaluation that is related to promotion and merit pay should also be used for staff development programs.
(3) Evaluation and merit pay ought to be broadly based covering the entire institution. (By the way, at SATC the evaluation and merit pay program also applies to administrators. The program is college-wide.)
(4) It is a continuous process that ought to be tied to the reward structure.
(5) It ought to be participatory with faculty involvement.
(6) It ought to be legal.
(7) No system is perfect.

Our first effort at evaluation followed Richard Miller's model of the weights and areas described in his book Measuring Faculty Performance. The initial plan helped faculty begin to understand roles, relationship, and areas of responsibility. Unfortunately, many faculty did not include some of the important optional elements in their evaluation plans. Nevertheless, we were able to reward and identify exceptional faculty. This success had a positive effect upon morale and gave us a basis for a comprehensive staff development program, which this year had more than one hundred different activities. Also, the evaluation program helped some faculty members, who had shown over time a real lack of commitment to the mission of the college, change their performance. Over a three-year period, five faculty choose to retire rather than relate their performance to the values of the college. Over a seven-year period, we have had few serious disagreements from faculty about the merit program.

EMPHASIS ON EXCELLENCE

From these early experiences we learned that the college needed to clarify the responsibilities of division deans, full-time faculty

and part-time faculty. Further, the college needed to affirm its commitment to instructional excellence. These commitments and responsibilities were published in a document entitled "Emphasis on Excellence."

The revised evaluation system centered on three elements. (1) The job description is basic to evaluation. A person should know what his job responsibilities are and how they relate to the college's mission. (2) Each employee develops an individual action plan. This includes president, staff, and faculty. (3) The individual action plan is related to an annual planning process which culminates in a written plan of action approved by the Board of Trustees. The president is evaluated on this plan. All personnel in the college are evaluated based on their performance on their individual action plans which are sub units of the college plan.

In a recent survey, the majority of our faculty gave a high rating to the evaluation system. They expressed the opinion that the system has inspired improved performance among faculty and encouraged them to look at their job in the context of the college's mission.

MERIT PAY

The second part of my presentation focuses on the merit pay system that supports evaluation. I prefer to call it recognition and reward because I believe there is a substantial difference between merit pay and a broad-based program that recognizes and rewards excellence. Merit pay is just one means of rewarding excellence. Our college recognizes and rewards excellence in several ways. (1) We present outstanding service awards. An outstanding faculty member and staff member are chosen annually, and given a substantial cash award and a plaque by the college's private foundation. These awards

are valued by employees. (2) I send a birthday card to everyone who works at the college, and write personal notes to all employees about something they have accomplished in their area during the year. It seems to me that the leader of the college ought to recognize employees and their achievements. Cards and notes on special occasions is a way to do this. Also, if somebody does something significant, I try to write a personal letter to his home acknowledging his valuable contribution to the college. (3) If a committee or task force makes a valuable contribution to the college, we might recognize their achievement with a luncheon. (4) Those who contribute most to the college are given priority for travel to conferences and workshops. (5) Faculty members are invited to make presentations to the Area Commission on accomplishments in their area. (6) More than 50 of those activities in the 1985 Faculty and Staff Development Program were conducted by internal consultants; that is, people on the faculty and staff who have developed an expertise were asked to share it. (7) Finally, their work is featured in professional journals.

Five types of merit increases are utilized by two-year colleges. (1) The step/length in service increase is generally used by the public school systems. We do not have this approach at our college. (2) Cost-of-living increases (across the board increases are more typical. Our faculty are state employees, and cost of living increases are often granted by the legislature. (3) More recently, the legislature combined cost-of-living and merit. For instance, this past year the legislature granted a 4% cost of living and a 2% merit increase. The merit funds were awarded based on performance if the college has a system to document unequal increases. The

combination is the one we normally use; a few of our South Carolina colleges use total merit system. (4) The merit system grants all salary increases based on job performance. Merit is defined at our institution as a system that gives different increases to individuals who have the same job descriptions and work obligations; the difference is based on a systematic evaluation related to performance. (5) The bonus system grants specify one time awards but does not increase the base pay. Our state does not recognize this important approach to merit.

Seven steps are essential to implementing a merit pay plan. (1) The first step is planning. The November 28, 1984 Chronicle article referenced earlier suggests a minimum of three years to develop and implement an evaluation system. I agree with this time line. (2) Regardless of the sophistication of the system, evaluation of faculty involves judgments about personnel performance. (3) To minimize the judgment element, we work to have as much explicit criteria as possible about what good teaching is. Thus, evaluators must be trained in the evaluation of good teaching. (4) Faculty and administration must have open, continuous communication to make the evaluation system effective. (5) The budget must be adequate to support the system. To have a system and no money to support merit pay becomes demoralizing. (6) Also, an effective evaluation system requires continuous monitoring and refinement.

The problems we have encountered with this approach are that; (1) it requires more time, (2) it is more difficult to administer than across-the-board increases, (3) it is always with you -- it is on-going and continuous.

The advantages of a evaluation and merit pay system are three fold: (1) The employee is held accountable for what he/she accomplishes, and the supervisor is held responsible for judgments made. (2) It encourages employees to make a maximum effort to coordinate their activities with college mission and (3) It recognizes and rewards individuals.

I conclude my remarks with a quote from Michael Labuff's new book on The Greatest Management Principles in the World.

"The thing that gets rewarded gets done."

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